



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

May 12, 2011

To: Mayor Michael D. Antonovich
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name and title.

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

MARTIN LUTHER KING, JR. - LOS ANGELES HEALTHCARE CORPORATION - ANNUAL REPORTING PROCESS FOR ONE-TIME START-UP FUNDS

On March 8, 2011, your Board instructed the Chief Executive Officer (CEO) to discuss with the Martin Luther King, Jr. – Los Angeles Healthcare Corporation Board of Directors (MLK Healthcare Board) an annual budget reporting mechanism so your Board is informed on how the funds will be utilized.

As directed, this Office met with the Chair and members of the MLK Healthcare Board. We agreed the budget would be provided to this Office as part of the process by which the funds approved by your Board will be transmitted. We also agreed that a written request will be submitted to this Office, on behalf of the County, which will include a budget developed by the MLK Healthcare Board for funds to be transmitted. The written request and budget will be reviewed by this Office to ensure that it is consistent with the provisions of the Coordination Agreement between the County and the Regents of the University of California. This budget will then be forwarded to your Board.

In accordance with this process, the MLK Healthcare Board has submitted the attached document for the use of funds designated under the Services Pledge and Funding Agreement (Funding Agreement) for fiscal year (FY) 2010-11. Future requests will be similar in format.

"To Enrich Lives Through Effective And Caring Service"

**Please Conserve Paper – This Document and Copies are Two-Sided
Intra-County Correspondence Sent Electronically Only**

Each Supervisor
May 12, 2011
Page 2

After your Board has approved the respective annual County Budget for each FY 2011-12 through 2014-15, this Office will amend the Funding Agreement for each respective fiscal year, pursuant to the authority delegated by your Board. Additionally, as further directed by your Board, written notification will be provided to your Board 30 days before execution of each amendment to the Funding Agreement.

In addition, as provided for in the Funding Agreement, the MLK Healthcare Board will submit to this Office, on an annual basis, an itemized report of all actual expenditures funded by monies received under the agreement, with detail for expenditures in excess of \$50,000. The first report will be due by October 31, 2011, which is 120 days after the end of the fiscal year, for expenditures in FY 2010-11. Subsequent annual reports will be due by October 31 of the respective fiscal year. This information will be presented to your Board upon receipt.

If you have any questions, please contact me or your staff may contact Sheila Shima, Deputy Chief Executive Officer, at (213) 974-1160.

WTF:SAS
MLM:MM:gl

Attachment

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Health Services

051211_MLK HEALTHCARE ANNUAL REPORTING

Martin Luther King Jr. Healthcare Corporation
ESTIMATED ALLOCATION OF FIRST YEAR START-UP FUNDING
4/20/2011
For the twelve months beginning May 1, 2011

Hospital Equipment/start-up *	\$ 7,350,000
Other identified Start up costs:	
Set Up Office	
Rent	84,000
Equipment	10,000
Build-out	50,000
Telephones	15,000
Build-out	10,000
Utilities	12,000
Admin assistant	50,000
Subtotal - office set up	231,000
Liability, Business, and Directors and Officers Liability Insurance	143,000
Executive Recruitment	132,000
Salaries	1,064,000
Legal Services	400,000
Community Needs Assessment and Care Delivery Planning	340,000
Community Outreach and Relations	240,000
Auditor	100,000
TOTAL	<u>\$ 10,000,000</u>

* - Note: The amounts specified are estimates and subject to change. Due to the timing of this start up, not all costs are specifically known at this time. The timing of the purchase of equipment and other start up costs will be determined as the start up of the hospital continues to move forward. These funds will be held in reserve and it is the intent of the Board of Directors to prudently invest and manage these funds until such time as their use becomes evident. The Board will comply with all terms of the Funding Agreement.